TS #102497-d IAC-D-55/11 Final 18 August 1956

#### CENTRAL INTELLIGENCE AGENCY

MEMORANDUM FOR: The Executive Secretary

National Security Council

SUBJECT

: Report on the Status of the Foreign

Intelligence Program

- 1. The attached report has been prepared pursuant to Presidential directive as forwarded to the Director of Central Intelligence by the Executive Secretary, National Security Council, by memorandum dated 4 June 1956. Primary reference has been made to national security policy objectives applicable to the intelligence community as set forth most recently in NSC 5602.
- 2. Annex A, attached, is a cross-reference of the material in the report to applicable National Security Council Intelligence Directives. Annex B is the three-year projection of the costs of foreign intelligence programs previously forwarded to you under date of 13 July 1956 and not enclosed herewith. Annex C is a report of action taken pursuant to the recommendations of the Technological Capabilities Panel of the Science Advisory Committee, submitted as a part of this report in accordance with your memorandum of 4 June. (For security reasons, only Annex A is being attached to the copies of this report circulated within the intelligence community.)
- 3. This report, with Annex A, was concurred in by the Intelligence Advisory Committee on 14 August 1956. Annex B had been previously concurred in by the IAC on 10 July 1956. Annex C has been prepared by CIA, with appropriate concurrence from the Department of Defense on matters where that Department shared in the responsibility.

Director

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# ANNUAL REPORT TO THE NATIONAL SECURITY COUNCIL

ON THE

STATUS OF THE FOREIGN INTELLIGENCE PROGRAM

(as of 30 June 1956)

Submitted by

Intelligence Advisory Committee

August 1956

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ANNUAL REPORT TO THE NATIONAL SECURITY COUNCIL

ON THE

STATUS OF THE FOREIGN INTELLIGENCE PROGRAM

#### SUMMARY

#### Evaluation of U. S. Capabilities to Provide

#### Warning of Attack

We continue to believe that the U.S. could expect possibly as much as six months and not less than 30 days warning of Soviet preparation for a full-scale land, sea, and air attack based on full, or nearly full mobilization. However, warning of the intent actually to launch the attack might be obtained only within a period from a few hours to a few days in advance.

The growing air capabilities of the USSR makes unlikely any relative improvement in our ability to give advance intelligence warning of surprise air attack. Should the USSR attempt a major surprise air attack against the U.S. from forward bases in 1956, the preparations might be detected, and if they were, would provide a generalized degree of warning of several days, and specific warning of unusual and possibly threatening air activity on the lesser scale of attack, involving about an extraordinary security effort could be launched as early as 1956 with no assurance of specific advance warning to the U.S. (apart from that provided by early warning radar). Attacks against U.S. bases or forces overseas, or against U.S. allies, could be made with equal or greater likelihood of being accomplished without advance warning, and the situation with respect to warning in these areas will worsen over the next three years if the USSR acquires the guided missiles which we estimate are within Soviet capability.

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In the period between now and 1959, Soviet capabilities for surprise attacks will almost certainly increase. Furthermore, the USSR will have a progressively increasing capability for launching attacks on the U.S. from interior Soviet bases. Such a method of attack would probably provide no specific advance warning to U.S. intelligence.

#### Evaluation of Soviet Capabilities and Intentions

The field of political intelligence has profited from the greater accessibility of Soviet personalities and the opportunities for wider contacts within the USSR which have resulted from the turn in Soviet policy in the post-Stalin period. On the whole, we can probably have somewhat greater confidence than formerly in our estimates of probable Soviet courses of action in the foreign policy field. Nevertheless, despite the gains in this respect, there are many aspects of the Soviet political scene which remain obscure. In assessing political developments within the USSR, we continue to feel fairly sure of our analyses of short-term trends, but we are uncertain about the basic interplay of forces producing future policy, e.g., personality relationships, the reasoning behind the announced reductions in military forces, the effect within the USSR of the denigration of Stalin, and the impact of economic problems on policy. Externally, the intensification of the diplomatic offensive of the Sino-Soviet Bloc poses increased intelligence problems of evaluating Bloc intentions and capabilities and the vulnerabilities of the target areas, particularly in connection with the increased use by the Bloc of trade and aid agreements in support of its diplomacy. Political intelligence on Communist China remains a major problem and is still highly inadequate for an assessment of Communist Chinese motives and possible future actions.

Military intelligence information available on the countries of the Sino-Soviet Bloc continues to be generally adequate to support broad assessments of the capabilities of the armed forces of those countries and to discern trends in their development. This information, however, continues to be inadequate in many critical fields to

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requirements. The highest priority has been given to this problem with special emphasis being placed on technical collection techniques. Concerted efforts to determine the quality and quantify of Soviet scientific manpower and developments in specific fields of basic and applied science, have resulted in some improvement in our understanding of these underlying factors in Soviet technological capabilities.

#### Collection

Pursuant to NSCID No. 4, the list of priority national intelligence objectives was again revised (DCID 4/5). This revision has further refined the First Priority Objectives to focus special emphasis in intelligence collection on intentions, policies or actions of the Sino-Soviet Bloc related to the initiation of hostilities, especially nuclear air attack or the clandestine delivery of weapons against the U.S. or key U.S. overseas installations. Our over-all collection capabilities, overt and clandestine, have shown improvement in the past year both within and outside the Sino-Soviet Bloc, and information and material received from the field have increased in both quantity and quality, due primarily to the currently increased access to target areas, personalities and materials. Soviet publications, with the exception of those in the military field, are becoming increasingly available and include items, hitherto prohibited for export, containing new scientific and economic data. Further development and use of technological methods, such as ELINT, has also brought about improved collection results.

Nonetheless, serious deficiencies remain in our collection capabilities in all fields, particularly in relation to the Sino-Soviet Bloc. With respect to political and economic deficiencies, improvement and expansion of existing facilities and methods are required. With respect to deficiencies in critical military and scientific fields, expanded clandestine programs must be continued and technological collection capabilities further developed. Such expanded programs must be in operation for a long period before a significant reduction of our critical intelligence deficiencies can be expected.

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